

Message Text

CONFIDENTIAL

PAGE 01 LIMA 03068 150004Z

62

ACTION EB-03

INFO OCT-01 ARA-06 ISO-00 SSO-00 L-01 INR-05 INRE-00 SS-14

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O 142255Z APR 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 4735

C O N F I D E N T I A L LIMA 3068

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LIMDIS

FOR EB/TT/AV - STYLES

E.O. 11652: GDS

TAGS: EAIR, PE

SUBJ: CIVAIR - DISPUTE WITH PERU - AMBASSADOR'S MEETING
WITH FOREIGN MINISTER

REF: LIMA 2907, 2863

1. AMBASSADOR MET WITH FOREIGN MINISTER DE LA FLOR
APRIL 12 TO DISCUSS NUMBER OF SUBJECTS, INCLUDING CIVIL
AIR NEGOTIATIONS. FONMIN SAID HE WISHED TO EMPHASIZE
THREE POINTS: (1) GOP WANTS AN AMICABLE AGREEMENT;
(2) AEROPERU IS NOT RESORTING TO DELAYING TACTICS; AND
(3) AEROPERU IS NEGOTIATING SERIOUSLY. AMBASSADOR SAID
HE WAS PLEASED LEARN THIS BUT THAT WE WERE CONCERNED BY
FACT THAT MONDAY'S MEETING HAD NOT YET BEEN CONFIRMED,
THAT TWO PREVIOUS MEETINGS HAD BEEN VERY SHORT, AND THAT
CONVERSATIONS HAD BEEN INTERRUPTED BY SOTO'S DEPARTURE
FOR CARACAS. FONMIN RESPONDED THAT HE WOULD ENSURE
THAT MEETING WOULD TAKE PLACE AS SCHEDULED.

2. CONVERSATION THEN TOUCHED ON FOLLOWING POINTS:

A. FONMIN SAID THAT SOTO HAD INFORMED SOUTH IN ADVANCE
OF HIS TRIP TO CARACAS. AMBASSADOR REPLIED THAT NONE ON
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PAGE 02 LIMA 03068 150004Z

U.S. SIDE OF TABLE HAD HEARD HIM. SOLARI (WHO WAS PRESENT)

THEN SAID THAT SOTO HAD INFORMED SOUTH PRIVATELY. (NOTE: AT MONDAY'S MEETING WITH BRANIFF AND EMBASSY REPRESENTATIVES, SOTO MADE A POINT OF INSISTING THAT HE HAD MADE SUCH A STATEMENT DURING APRIL 3 MEETING.)

B. FONMIN SAID BRANIFF HAD ORIGINALLY FLATLY REJECTED AEROPERU'S FEBRUARY 17 PROPOSAL. AMBASSADOR SAID THIS WAS BECAUSE OF AEROPERU'S POSITION ON STOPOVER TRAFFIC (AMONG OTHER ISSUES). BRANIFF COULD NOT BE EXPECTED TO GENERATE TOUR TRAVEL ONLY TO HAVE THIS TRAFFIC TAKEN FROM THEM ONCE IT ARRIVED IN LIMA.

C. FONMIN CLAIMED THAT AEROPERU HAS MOVED A GREAT DEAL BUT THAT BRANIFF HAS DISPLAYED NO MOVEMENT. AMBASSADOR THEN WENT THROUGH NUMBERS, POINTING OUT THAT BRANIFF'S PROPOSAL FOR 29 FREQUENCIES IS A LONG WAY FROM 42 WHICH IT WANTED AND 34 IT HAD BEEN OPERATING. FONMIN SAID HE THOUGHT THAT AEROPERU PROPOSAL OF 24 FLIGHTS WITHOUT RESTRICTIONS CONSTITUTED A MAJOR CONCESSION. AMBASSADOR POINTED OUT THAT IN FACT BRANIFF WOULD BE RESTRICTED IN HOW IT OPERATED THESE FREQUENCIES AND THAT ROUTING IS A MOST IMPORTANT CONSIDERATION. ALSO, BRANIFF FOUND THAT 24-FREQUENCY OFFER IS UNECONOMICAL.

D. AMBASSADOR SAID THAT HE THOUGHT PROGRESS COULD BE FURTHERED IF AEROPERU WOULD PUT ITS PROPOSAL IN WRITING TO SERVE AS BASIS FOR DISCUSSION AS BRANIFF HAS DONE. THIS HAS BEEN REASON AMBASSADOR HAS SENT FONMIN PERIODIC REPORTS; SUCH PROPOSALS AND REPORTS IN WRITING ALSO SERVE AS WRITTEN RECORD TO HELP EMMORY. AMBASSADOR SAID HIS HOPE IS THAT STAGE WOULD THUS BE SET FOR A LONG SESSION IN WHICH TWO SIDES COULD MAKE DETAILED ANALYSIS OF ONE ANOTHER'S POSITIONS AND HOPEFULLY REACH COMPROMISE. FONMIN SAID HE AGREED.

E. AMBASSADOR POINTED OUT THAT AEROPERU WOULD BENEFIT FROM AGREEMENT ADDITIONALLY SINCE BRANIFF IS PREPARED TO SUPPORT ITS REQUEST FOR RIGHTS TO NEW YORK AND TO INCLUDE AEROPERU IN ITS COMPUTER SYSTEM. FONMIN SEEMED INTERESTED AND SAID HE HAD NOT BEEN AWARE OF LATTER OFFER.
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PAGE 03 LIMA 03068 150004Z

F. FONMIN SAID THAT ALL OTHER FOREIGN AIRLINES OPERATING TO PERU HAD BEEN CUT BACK AND ARE COOPERATING FULLY WITH DGTA, BUT BRANIFF HAS NOT AND IS CONTINUING TO FLOUT PERUVIAN REGULATIONS. AMBASSADOR SAID HE THOUGH THIS IS OVERSTATING THE CASE AND THAT IN ANY EVENT BRANIFF IS UNLIKE OTHER AIRLINES IN THAT IT PRIVATELY OWNED AND MUST MAKE A PROFIT. BRANIFF FURTHER CONTRIBUTES TO PERU'S WELL-BEING BY GENERATING MAJOR

TOURIST TRAFFIC. SUCH TRAFFIC NOW IS CONSIDERABLY REDUCED BECAUSE OF CURRENT DIFFICULTIES, WHICH ALSO ARGUES FOR PROMPT AGREEMENT.

G. AMBASSADOR SAID THAT CONTINUED OPERATIONS TO BRAZIL ARE ESSENTIAL TO BRANIFF AND HAVE FORMED TRADITIONAL PART OF ITS SYSTEM. FONMIN DID NOT DEMUR. AMBASSADOR ALSO SAID TERM OF PERMIT IMPORTANT, TO WHICH FONMIN RESPONDED THAT HE THOUGHT THIS IS NEGOTIABLE.

3. COMMENT: TONE OF MEETING THROUGHOUT WAS CORDIAL, ALTHOUGH FONMIN APPARENTLY CONTINUES TO BELIEVE THAT AEROPERU'S 24-FREQUENCY PROPOSAL SHOULD BE ADEQUATE. HE DID NOT MENTION WHETHER OR NOT CIVAIR PROBLEM HAD BEEN DISCUSSED IN APRIL 11 CABINET MEETING, NOR HAVE WE SO FAR BEEN ABLE TO CONFIRM THIS FROM OTHER SOURCES. SEPTTEL REPORTS ON AIRLINE MEETING OF APRIL 14, IN WHICH AEROPERU REFUSED TO BUDGE BEYOND 24-FLIGHT PROPOSAL. IT THEREFORE APPEARS THAT IF MATTER WAS DISCUSSED THERE WAS LITTLE INCLINATION ON PART OF CABINET (OR OF FONMIN HIMSELF) TO PUT ANY PRESSURE ON SOTO TO BE MORE FLEXIBLE.

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